



Warren D. Hannah
Director, Federal Regulatory Relations

1850 M Street, NW, Ste. 1100
Washington, DC 20036
Telephone (202) 828-7452
Fax (202) 296-3469

EX PARTE OR LATE FILED

EX PARTE

October 16, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

RE: CC Dockets Nos. 96-45 and 97-160

Dear Mr. Caton,

On October 15, 1997, representatives of Benchmark Cost Proxy Model (BCPM) and the Hatfield Model met with the Joint Board Staff and interested members of the public to continue discussions of cost proxy models in the above referenced proceedings. A list of the participants is attached.

For the most part, the meeting consisted of Jim Stegeman of INDETEC International presenting a preliminary version 2.0 of the BCPM (BCPM2.0) on behalf of BellSouth, Sprint and U S WEST, joint sponsors of the BCPM. A compact disc including a preliminary version of BCPM2.0 was filed with your office as an ex parte on October 14, 1997. The compact disc contained BCPM2.0 runs for the states of Colorado, Kentucky, New Jersey, and North Carolina. Preliminary version 2.0 includes an enhanced customer location algorithm, an updated Loop Module, new user interface procedures, and a revised Reporting Module.

The attached information was also used during the presentation.

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OCT 16 1997

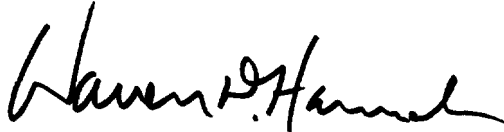
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The BCPM sponsors request this information be placed in the record in the above referenced proceedings. Two copies of this letter, in accordance with Section 1.1206(a)(1), is provided for this purpose. The meeting ended late in the afternoon of October 15, therefore, this notice is provided today. If there are questions, please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Warren D. Hannah". The signature is fluid and cursive, with the first name "Warren" being more prominent.

Warren D. Hannah

Attachment

c: Mr. Bob Loube, FCC, Washington, D.C.
Mr. Charles Keller, FCC, Washington, D.C.
Mr. Glenn Brown, U S WEST, Washington, D.C.
Mr. Whit Jordan, BellSouth, Washington, D.C.

Ex Parte Meeting October 15, 1997
CC Dockets Nos. 96-45 and 97-160
Attendees

IN PERSON:

Natalie Wales, FCC
Abdel Eqab, FCC
Brad Wimmer, FCC
C. Anthony Bush, FCC
Bill Sharkey, FCC
Bob Loube, FCC
Bryan Clopton, FCC
Chuck Keller, FCC
Paul Johnson, NECA
Pete Sywenki, Sprint
Brian Staihr, Sprint
Warren Hannah, Sprint
Jim Stegeman, INDETEC International

Mike Lieberman, ATT
Rich Tallman, Nusantara Communications
John Huslig, RUS
Ed Cameron, RUS
Peggy Longergran, Bell Atlantic
J. McGirr-Conti, Bell Atlantic
Chris Frentrup, MCI
Ola Oyefusi, DC PSC
Whit Jordan, BellSouth
Scott Randolph, GTE
Gary Allan, RUS
Rich Clarke, ATT

BY TELEPHONE:

Charlie Bolle, SD PUC
Ann Dean, MD PSC
Barry Payne, IN Ofc of Consumer Counsel
Tiane Sommer, GA PSC
John Burvainis, NE PSC
Glenn Brown, U S WEST

**PROXY MODEL COMPARISONS
UNIVERSAL SERVICE COST PER RESIDENCE LINE**

STATE	ALL CPM	ALL BCM2	ALL BCPM1.1	ALL BCPM2.0 (P)	RBOC CPM	RBOC BCM2	RBOC BCPM1.1	RBOC HATFIELD VER 2.2.2	RBOC HATFIELD VER 3.1	Non-RBOC HATFIELD VER 3.1
AL : Alabama	\$39.72	\$ 36.25	\$ 46.17		\$ 35.59	\$ 32.49	\$ 40.42	\$ 23.53	\$ 25.59	\$ 42.05
AK : Alaska	\$79.00	\$ 38.94								
AR : Arkansas	\$45.73	\$ 40.97	\$ 53.03		\$ 37.86	\$ 34.24	\$ 43.65	\$ 23.28	\$ 25.27	\$ 47.32
AZ : Arizona	\$34.56	\$ 31.97	\$ 35.97		\$ 30.50	\$ 29.48	\$ 32.96	\$ 20.67	\$ 20.31	\$ 116.90
CA : California	\$26.72	\$ 24.50	\$ 28.79		\$ 26.16	\$ 24.02	\$ 28.07	\$ 15.30	\$ 16.05	\$ 18.26
CO : Colorado	\$33.57	\$ 31.23	\$ 35.87	35.57	\$ 30.69	\$ 29.32	\$ 33.30	\$ 22.55	\$ 21.96	\$ 121.20
CT : Connecticut	\$27.76	\$ 29.04	\$ 32.16		\$ 28.22	\$ 28.89	\$ 27.54	\$ 18.30	\$ 20.18	\$ 27.02
DC : Washington, D.C.	\$23.24	\$ 16.76	\$ 21.00		\$ 23.52	\$ 16.76	\$ 21.00	\$ 13.18	\$ 14.50	
DE : Delaware	\$31.54	\$ 28.28	\$ 32.31		\$ 31.92	\$ 28.28	\$ 32.31	\$ 17.81	\$ 19.42	
FL : Florida	\$30.83	\$ 29.15	\$ 31.73		\$ 29.51	\$ 27.91	\$ 29.96	\$ 16.98	\$ 19.10	\$ 20.86
GA : Georgia	\$35.33	\$ 32.00	\$ 39.23		\$ 31.72	\$ 28.79	\$ 34.91	\$ 19.93	\$ 21.21	\$ 42.66
HI : Hawaii	\$33.67	\$ 28.29	\$ 30.30							\$ 21.13
IA : Iowa	\$40.66	\$ 36.83	\$ 47.35		\$ 30.44	\$ 28.48	\$ 35.51	\$ 19.17	\$ 19.81	\$ 39.50
ID : Idaho	\$47.98	\$ 39.51	\$ 50.55		\$ 39.08	\$ 33.43	\$ 43.31	\$ 23.17	\$ 23.69	\$ 51.85
IL : Illinois	\$29.42	\$ 27.28	\$ 31.14		\$ 26.75	\$ 24.64	\$ 27.34	\$ 16.48	\$ 16.70	\$ 26.78
IN : Indiana	\$33.03	\$ 32.02	\$ 38.77		\$ 29.43	\$ 28.77	\$ 33.54	\$ 17.86	\$ 18.39	\$ 26.19
KS : Kansas	\$37.50	\$ 35.37	\$ 44.58		\$ 31.83	\$ 29.28	\$ 36.07	\$ 21.14	\$ 20.92	\$ 59.60
KY : Kentucky	\$38.51	\$ 36.74	\$ 48.51	41.19	\$ 36.73	\$ 34.38	\$ 44.92	\$ 22.93	\$ 24.05	\$ 28.45
LA : Louisiana	\$33.97	\$ 33.98	\$ 39.45		\$ 32.18	\$ 32.41	\$ 37.23	\$ 20.69	\$ 22.62	\$ 41.04
MA : Massachusetts	\$26.05	\$ 26.10	\$ 28.93		\$ 26.54	\$ 26.07	\$ 28.89	\$ 16.97	\$ 19.25	\$ 31.87
MD : Maryland	\$27.61	\$ 25.60	\$ 30.49		\$ 26.16	\$ 25.64	\$ 30.45	\$ 17.44	\$ 18.53	\$ 29.68
ME : Maine	\$44.48	\$ 45.33	\$ 47.16		\$ 40.29	\$ 40.98	\$ 42.65	\$ 23.37	\$ 26.57	\$ 44.09
MI : Michigan	\$33.43	\$ 31.34	\$ 45.42		\$ 30.25	\$ 28.92	\$ 31.95	\$ 17.98	\$ 18.02	\$ 30.04
MO : Missouri	\$37.43	\$ 34.17	\$ 41.08		\$ 30.48	\$ 28.12	\$ 33.72	\$ 19.58	\$ 19.83	\$ 35.92
MN : Minnesota	\$39.62	\$ 32.83	\$ 40.04		\$ 30.98	\$ 26.94	\$ 32.55	\$ 19.02	\$ 19.20	\$ 37.25
MS : Mississippi	\$47.30	\$ 39.91	\$ 51.24		\$ 45.43	\$ 38.56	\$ 48.96	\$ 28.44	\$ 30.49	\$ 59.39
MT : Montana	\$57.10	\$ 42.92	\$ 57.75		\$ 40.79	\$ 33.09	\$ 43.17	\$ 25.64	\$ 26.50	\$ 105.30
NC : North Carolina	\$36.83	\$ 34.22	\$ 41.79	34.37	\$ 31.96	\$ 30.16	\$ 36.38	\$ 18.90	\$ 22.46	\$ 29.35
ND : North Dakota	\$52.70	\$ 45.04	\$ 56.98		\$ 42.63	\$ 31.61	\$ 44.91	\$ 19.50	\$ 19.81	\$ 81.26
NE : Nebraska	\$40.25	\$ 36.28	\$ 46.31		\$ 32.44	\$ 28.07	\$ 35.92	\$ 25.94	\$ 24.79	\$ 36.64
NH : New Hampshire	\$35.93	\$ 37.95	\$ 40.01		\$ 35.06	\$ 36.59	\$ 38.64	\$ 21.79	\$ 23.63	\$ 34.27
NJ : New Jersey	\$26.25	\$ 24.58	\$ 27.09	23.68	\$ 26.43	\$ 23.90	\$ 26.67	\$ 15.21	\$ 15.90	\$ 21.77
NM : New Mexico	\$45.04	\$ 37.08	\$ 48.46		\$ 37.04	\$ 32.18	\$ 40.08	\$ 24.30	\$ 25.24	\$ 90.47
NV : Nevada	\$34.04	\$ 31.17	\$ 33.72		\$ 52.83	\$ 34.19	\$ 37.64	\$ 27.18	\$ 29.87	\$ 23.25
NY : New York	\$27.19	\$ 25.05	\$ 28.35		\$ 25.76	\$ 23.63	\$ 26.60	\$ 16.66	\$ 16.81	\$ 26.67
OK : Oklahoma	\$36.92	\$ 35.06	\$ 44.68		\$ 39.62	\$ 30.60	\$ 38.10	\$ 22.39	\$ 23.48	\$ 50.36
OH : Ohio	\$30.57	\$ 30.28	\$ 35.47		\$ 27.86	\$ 27.28	\$ 31.02	\$ 17.06	\$ 17.37	\$ 23.44
OR : Oregon	\$36.26	\$ 33.37	\$ 40.80		\$ 31.77	\$ 29.04	\$ 34.64	\$ 19.56	\$ 20.35	\$ 32.64
PA : Pennsylvania	\$30.17	\$ 26.40	\$ 33.29		\$ 27.41	\$ 25.59	\$ 29.71	\$ 17.38	\$ 17.98	\$ 26.32
RI : Rhode Island	\$28.07	\$ 27.69	\$ 30.13		\$ 28.49	\$ 27.89	\$ 30.13	\$ 17.15	\$ 18.41	\$ 16.80
SC : South Carolina	\$38.05	\$ 35.31	\$ 43.42		\$ 33.70	\$ 31.91	\$ 38.80	\$ 21.21	\$ 23.64	\$ 31.96
SD : South Dakota	\$53.50	\$ 44.81	\$ 60.80		\$ 43.33	\$ 31.64	\$ 49.19	\$ 20.51	\$ 21.62	\$ 93.04
TN : Tennessee	\$36.11	\$ 34.14	\$ 41.49		\$ 33.50	\$ 31.59	\$ 37.98	\$ 21.17	\$ 22.42	\$ 31.51
TX : Texas	\$33.94	\$ 29.98	\$ 36.32		\$ 31.77	\$ 27.26	\$ 32.15	\$ 17.58	\$ 18.79	\$ 31.29
UT : Utah	\$35.71	\$ 31.21	\$ 36.44		\$ 31.87	\$ 28.62	\$ 33.48	\$ 21.11	\$ 20.65	\$ 103.63
VA : Virginia	\$33.39	\$ 29.84	\$ 36.48		\$ 29.81	\$ 27.00	\$ 32.21	\$ 18.00	\$ 19.68	\$ 29.21
VT : Vermont	\$42.53	\$ 43.51	\$ 47.82		\$ 40.00	\$ 41.04	\$ 45.06	\$ 25.02	\$ 27.07	\$ 38.35
WA : Washington	\$33.06	\$ 29.41	\$ 35.53		\$ 28.48	\$ 26.40	\$ 30.93	\$ 17.51	\$ 18.32	\$ 26.22
WI : Wisconsin	\$36.33	\$ 32.66	\$ 38.99		\$ 27.79	\$ 26.80	\$ 30.30	\$ 15.97	\$ 17.09	\$ 33.51
WV : West Virginia	\$40.82	\$ 41.91	\$ 54.48		\$ 38.09	\$ 39.17	\$ 49.83	\$ 26.79	\$ 28.04	\$ 42.23
WY : Wyoming	\$52.53	\$ 40.73	\$ 52.36		\$ 44.67	\$ 34.18	\$ 44.36	\$ 28.54	\$ 35.02	\$ 138.08
National	\$ 32.95	\$ 29.98	\$ 35.54		\$ 29.72	\$ 27.32				

Benchmark Cost Proxy Model Results

Area Wide Summary Report

Colorado

Multiple Wire Centers [283]

<u>Investment Per Line Data</u>	<u>Uncapped Annual Amount</u>	<u>Capped¹ Annual Amount</u>
Loop Investment	\$ 1,211	\$ 906
Switch Investment	\$ 244	\$ 244
IOF Investment	\$ 7	\$ 7
Other Investment	\$ 98	\$ 82
Total Investment	\$ 1,561	\$ 1,240

<u>Expense Per Month Data</u>		
Total Capital Cost per Line	\$ 24.23	\$ 19.41
Total Operating Expense per Line	\$ 11.34	\$ 11.34
Total Cost per Line	\$ 35.57	\$ 30.75
Gross Receipts Tax ²	\$ 1.44	\$ 1.25

Line Data

Average Loop Length in Feet	14,116
Lines Above \$10K Loop Investment	28,755
Number of Households	1,568,057
Number of Residential Lines	1,799,137
Number of Single Business Lines	44,269
Multiple Business Lines	624,447
Non Switched Lines	86,933
Total CBG Lines Served	2,554,786

1 CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000.

2 Application varies so much on a state by state basis, it is not included in the Monthly Cost.

Assumptions:

BCPM

BCPM Default View

Benchmark Cost Proxy Model Results

Area Wide Summary Report

New Jersey

Multiple Wire Centers [235]

<u>Investment Per Line Data</u>	<u>Uncapped Annual Amount</u>	<u>Capped¹ Annual Amount</u>
Loop Investment	\$ 506	\$ 504
Switch Investment	\$ 218	\$ 218
IOF Investment	\$ 7	\$ 7
Other Investment	\$ 57	\$ 57
Total Investment	\$ 788	\$ 786

Expense Per Month Data

Total Capital Cost per Line	\$ 12.34	\$ 12.31
Total Operating Expense per Line	\$ 11.34	\$ 11.34
Total Cost per Line	\$ 23.68	\$ 23.65
Gross Receipts Tax ²	\$ 0.96	\$ 0.96

Line Data

Average Loop Length in Feet	11,408
Lines Above \$10K Loop Investment	583
Number of Households	2,870,005
Number of Residential Lines	3,092,108
Number of Single Business Lines	332,111
Multiple Business Lines	1,558,108
Non Switched Lines	245,728
Total CBG Lines Served	5,228,056

1 CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000.

2 Application varies so much on a state by state basis, it is not included in the Monthly Cost.

Assumptions:

BCPM

BCPM Default View

Benchmark Cost Proxy Model Results

Area Wide Summary Report

Kentucky

Multiple Wire Centers [394]

<u>Investment Per Line Data</u>	<u>Uncapped Annual Amount</u>	<u>Capped¹ Annual Amount</u>
Loop Investment	\$ 1,536	\$ 1,467
Switch Investment	\$ 251	\$ 251
IOF Investment	\$ 8	\$ 8
Other Investment	\$ 117	\$ 113
Total Investment	\$ 1,911	\$ 1,839

Expense Per Month Data

Total Capital Cost per Line	\$ 29.85	\$ 28.77
Total Operating Expense per Line	\$ 11.34	\$ 11.34
Total Cost per Line	\$ 41.19	\$ 40.11
Gross Receipts Tax ²	\$ 1.67	\$ 1.63

Line Data

Average Loop Length in Feet	18,653
Lines Above \$10K Loop Investment	20,392
Number of Households	1,415,760
Number of Residential Lines	1,458,325
Number of Single Business Lines	98,815
Multiple Business Lines	344,899
Non Switched Lines	57,683
Total CBG Lines Served	1,959,722

1 CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000.

2 Application varies so much on a state by state basis, it is not included in the Monthly Cost.

Assumptions:

BCPM

BCPM Default View

Benchmark Cost Proxy Model Results

Area Wide Summary Report

North Carolina

Multiple Wire Centers [509]

<u>Investment Per Line Data</u>	<u>Uncapped Annual Amount</u>	<u>Capped¹ Annual Amount</u>
Loop Investment	\$ 1,128	\$ 1,101
Switch Investment	\$ 236	\$ 236
IOF Investment	\$ 7	\$ 7
Other Investment	\$ 93	\$ 91
Total Investment	\$ 1,464	\$ 1,435

Expense Per Month Data

Total Capital Cost per Line	\$ 23.03	\$ 22.61
Total Operating Expense per Line	\$ 11.34	\$ 11.34
Total Cost per Line	\$ 34.37	\$ 33.95
Gross Receipts Tax ²	\$ 1.40	\$ 1.38

Line Data

Average Loop Length in Feet	19,412
Lines Above \$10K Loop Investment	12,718
Number of Households	2,689,222
Number of Residential Lines	2,837,738
Number of Single Business Lines	138,900
Multiple Business Lines	953,083
Non Switched Lines	141,958
Total CBG Lines Served	4,071,679

1 CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000.

2 Application varies so much on a state by state basis, it is not included in the Monthly Cost.

Assumptions:

BCPM

BCPM Default View